

for

Acme Gas & Oil Co.

Limited



Report on the Main Properties Held and Exploration Planned

JUNE 14th, 1966

ACME GAS & OIL CO., LIMITED

REPORT ON THE MAIN PROPERTIES HELD AND EXPLORATION PLANNED

To the Shareholders,
ACME GAS & OIL CO., LIMITED:

Summary:

Acme is actively engaged in mining exploration in Eastern Canada and holds properties as follows:

1. Under a working option granted by Algoma Central Railway, ten townships in the Michipicoten Area of Ontario, located about 120 miles north of Sault Ste. Marie.
2. In the Timmins Nickel Area, located about 16 miles southeast of Timmins, Ontario, 310 claims in Langmuir, Eldorado and McArthur Townships.
3. In the Bathurst-Newcastle Area of New Brunswick, 1,350 claims.
4. Miscellaneous claim holdings in Ontario and Quebec.

Michipicoten Area — Ontario:

The Company holds ten townships, with a net area of 348 square miles, located about 20 miles north of Michipicoten Harbour, under the terms of a three-year working option granted by Algoma Central Railway. Attached is a geological map showing the location of the property. The ten townships cover for a length of 30 miles a wide band of geological formations favourable for the deposition of base metals. This geological environment consists of volcanic rocks similar in structure to those found in the Timmins, Noranda and Mattagami camps. Geochemical sampling of silt from streams in four of the townships has indicated numerous areas carrying high copper and zinc values. Thus excellent possibilities exist for the presence of large base metal deposits.

The Michipicoten Area was prospected for gold and iron about the turn of the century. Since that time there has been limited exploration except for the work carried out by Algoma Steel Corp. in its search for siderite ore. Previously access to the area under option was difficult until the recent completion of the Trans-Canada Highway which crosses the property for a distance of about 12 miles.

An airborne survey consisting of 2,300 miles, with lines flown at $\frac{1}{8}$ th mile intervals, was completed on May 17th over the greater part of the area under option. A study of the location of the aerial electromagnetic (E.M.) conductors in conjunction with geological structures and silt sampling results indicates excellent possibilities of proving up at least an ore body with fair chances of finding a number of ore bodies which would create a new base metal camp.

A field crew consisting of 11 men are presently locating and investigating the airborne anomalies on the ground. Since the area is amenable to geochemical methods concentrations of copper, lead and zinc may be rapidly outlined for drilling. A geochemical lab will be set up and a portable drill has been purchased in order that the program will move quickly. The first aerial E.M. conductor to be checked by ground survey is now being tested by drilling.

In the northeastern part of the area three strong magnetic anomalies covering a length of five miles occur in a known iron formation. Algoma Steel holds a six-claim group on one of these anomalies and the other two anomalies are held by Acme. Samples taken from one of the anomalies on Acme property have been tested and found suitable for pelletization. The Algoma Central Railway is located within seven miles and an old railway roadbed extends to within three miles of these anomalies. This and many other iron bearing areas will be covered by magnetic surveys and where warranted by gravity surveys followed by drilling to test the deposits for tonnage and grade.

The Acme area is about 20 miles by highway and railroad from Michipicoten Harbour which would be a suitable site for a smelter and has docking facilities for ocean going freighters. Hydro-electric power is available from a power line which extends across the easterly part of the Acme property.

Timmins Nickel Area — Ontario:

Acme holds over 200 claims in Eldorado Township in the new nickel area located 16 miles southeast of Timmins. Ground geophysical surveys over the north group of claims in Eldorado Township have indicated five E.M. conductors associated with magnetic anomalies. This group is located about 5 - 6 miles west of the nickel deposit being explored by Mining Corporation - International Nickel in Langmuir Township.

In McArthur Township in the Timmins Area where Acme holds 102 claims, E.M. and soil sampling surveys have been carried out recently to check two aerial E.M. conductors — 4,000 ft. and 5,000 ft. long. The E.M. conductors have been located and detailed on the ground; soil samples have been taken and sent for analysis but results are not yet available. The results of earlier reconnaissance soil sampling yielded some interesting nickel results.

A map is enclosed showing the location of the properties held in the Timmins Area.

New Brunswick Area:

Acme holds 1,350 claims in the Bathurst-Newcastle district of New Brunswick, located as shown on a plan included with this report. The main blocks of claims are located in a relatively unexplored area where geological structures are believed to be as favourable for the deposition of major base metal deposits as at the producing mines in New Brunswick. Two samples of float, picked up centrally in the area where Acme holds a block of claims ten miles long and about five miles wide, returned assays of 5.1% copper for one and 17.5% lead, 8.8% zinc and 3.6 oz. of silver for the other. Interesting nickel and copper results were secured in soil sampling a limited area about five miles southeast of the main group and this nickel-copper area has been protected by staking for a length of three miles. Soil sampling on a group immediately south of the main block of claims outlined two copper-zinc geochemical anomalies which appear to be coincident with aerial E.M. conductors.

A soil sampling survey has been under way since early in the year on the main block of claims. The more favourable soil sampled areas will be tested by geophysical surveys using E.M. and Induced Polarization instruments and areas that so warrant will be tested by drilling.

An all season timbering road extends through the main groups of claims with many bush roads suitable for four-wheel vehicles leading off from the main road.

Financial:

The Company's expenditures during the period May 1st to December 31st, 1966 are estimated as follows:

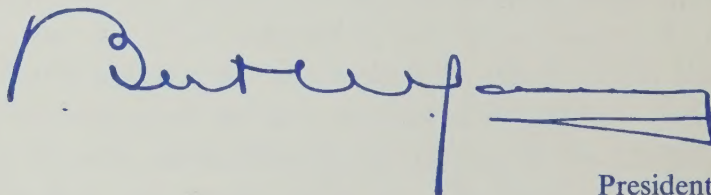
Michipicoten Area — Total	\$ 200,000
Aerial Survey	\$ 40,000
Field crew (8 months x \$10,000)	80,000
Drilling (16,000 ft. x \$5.00)	<u>80,000</u>
New Brunswick — Total	\$ 65,000
Field Crew (8 x \$5,000)	\$ 40,000
Drilling (5,000 ft. x \$5.00)	<u>25,000</u>
Timmins Nickel Area — Total	\$ 20,000
Drilling (3,000 ft. x \$5.00)	\$ 15,000
Geophysical and to maintain claims	<u>5,000</u>
Head Office and General Expense	\$ 15,000
	<u>Total \$ 300,000</u>

Net Current Assets, including investments at market value, amounted to \$191,873 as at April 30th, 1966. Expenditures on exploration and administration less royalties and interest income totalled \$61,265 during the first four months of 1966.

Under the offering of 700,000 shares made to shareholders in April, 1966, the Company received \$134,739.90 from the subscription of 449,133 shares.

An aggressive and persistent exploration program will be carried out in the search for mines.

On Behalf of the Board of Directors,


President.

Toronto, Ontario,
June 14th, 1966.

ACME GAS & OIL CO. LIMITED

GEOLOGICAL MAP showing LOCATION of

TEN TOWNSHIPS held by ACME in the MICHIPICOTEN AREA, ONTARIO

From Ont. Dept. of Mines Preliminary Geological Map No. P184

ACME GAS & OIL CO. LIMITED

EXPLANATION

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Scale
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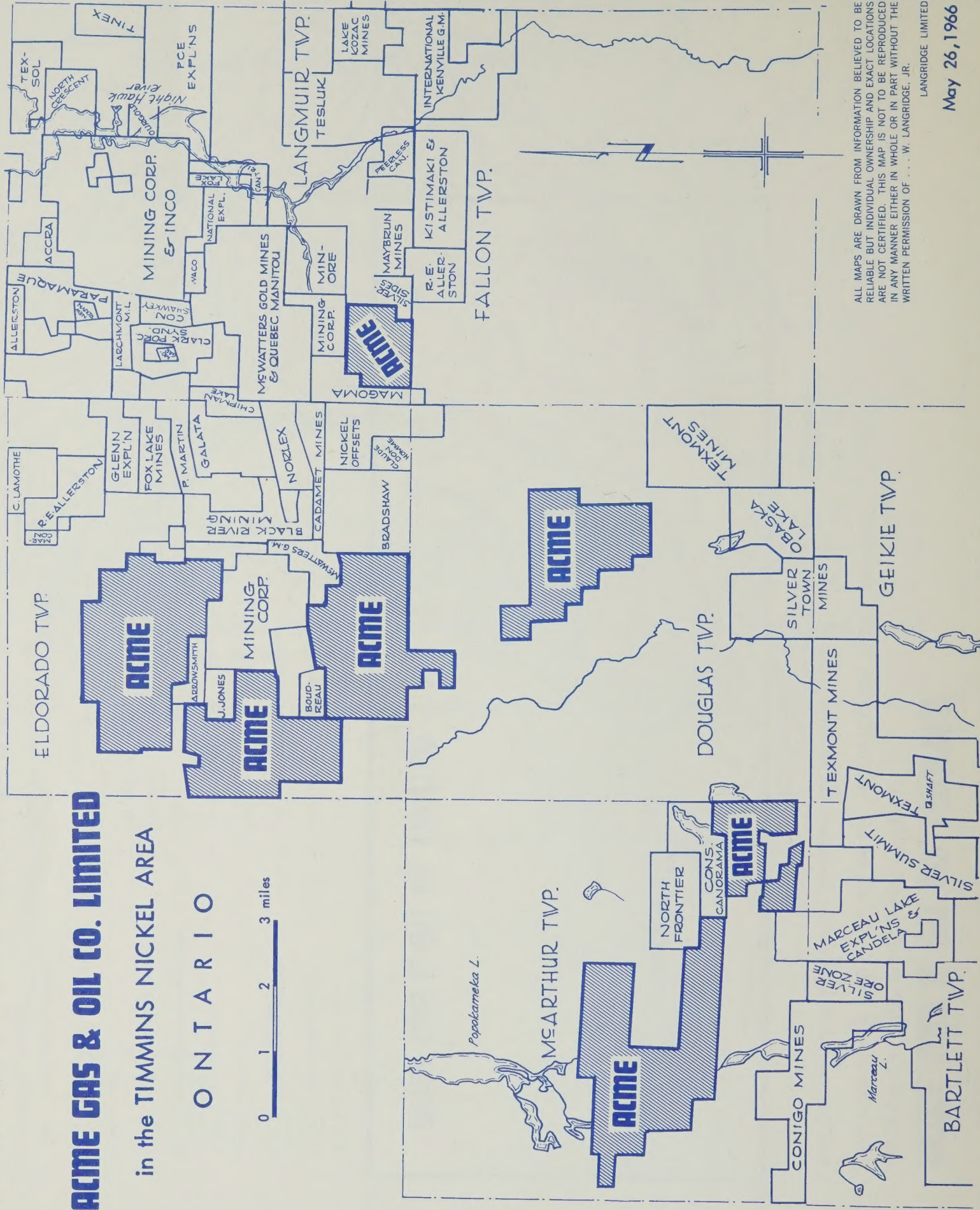
L A K E S U P E R I O R

ACME GAS & OIL CO. LIMITED

in the TIMMINS NICKEL AREA

ONTARIO

0 1 2 3 miles



ALL MAPS ARE DRAWN FROM INFORMATION BELIEVED TO BE RELIABLE BUT INDIVIDUAL OWNERSHIP AND EXACT LOCATIONS ARE NOT CERTIFIED. THIS MAP IS NOT TO BE REPRODUCED IN ANY MANNER EITHER IN WHOLE OR IN PART WITHOUT THE WRITTEN PERMISSION OF . . . W. LANGRIDGE, JR.

LANGRIDGE LIMITED

May 26, 1966

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LANGRIDGE LIMITED

May 26, 1966



ACME GAS & OIL CO. LIMITED

in the BATHURST-NEWCASTLE MINING AREA
NEW BRUNSWICK

